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SUBSTITUTE HOUSE BILL 3179

State of Washington 59th Legislature 2006 Regular Session

By House Committee on Transportation (originally sponsored by Representatives Murray and Woods; by request of Governor Gregoire)

READ FIRST TIME 2/7/06.

- AN ACT Relating to streamlining state transportation governance; 1 2 amending RCW 47.01.011, 47.01.031, 47.01.051, 47.01.061, 47.01.071, 3 47.01.075, 47.01.091, 47.01.101, 47.01.250, 47.01.280, 47.05.021, 47.05.030, 47.05.035, 47.05.051, 36.57A.191, 36.78.121, 4 36.79.120, 5 36.79.130, 36.120.020, 36.120.060, 43.10.101, 46.44.042, 46.44.080, 46.44.092, 46.44.096, 6 46.44.090, 46.61.450, 46.68.113, 47.68.410, 7 47.28.010, 47.28.170, 47.38.060, 47.52.133, 47.52.145, 47.52.210, 47.60.330, 47.68.390, 47.68.400, 81.112.086, 36.56.121, 8 35.58.2795, 9 36.57A.070, 47.29.010, 47.29.020, 47.29.030, 47.29.090, 47.29.100, 10 47.29.120, 47.29.160, 47.29.170, 47.29.180, 47.29.250, 47.10.861, 47.10.862, 47.10.843, 11 47.10.844, 47.10.834, 47.10.835, 47.10.819, 47.10.820, 47.02.120, 47.02.140, 44.75.030, 44.75.040, 47.10.873, and 12 47.10.874; adding new sections to chapter 47.29 RCW; adding a new 13 14 section to chapter 44.75 RCW; adding a new section to chapter 43.88 RCW; adding a new section to chapter 43.09 RCW; creating a new section; 15 repealing RCW 44.75.030 and 44.75.040; and providing an effective date. 16
- 17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- NEW SECTION. Sec. 1. The citizens of Washington are interested in the efficiency and accountability of the department of transportation.

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Recognizing the citizen's desire for accountability, the 2005 legislature established the department of transportation as a cabinet level agency, thereby making the executive branch responsible for the safety and mobility of travelers in Washington state. As a result of this legislative action, the roles and duties of the transportation commission must be reconstituted to permit the governor to effectively manage the department of transportation.

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The commission shall no longer exercise any budgetary or policy control of the department, nor shall it have oversight responsibilities. The commission shall continue to be the toll and ferry fare setting authority. The commission shall conduct public outreach, including reviewing and gathering public input on the Washington state comprehensive transportation plan prepared by the department, and it shall report to the governor and the legislature on its findings.

The legislature and the executive branch have a shared interest in and commitment to holding the department accountable for meeting its program and project commitments on time and on budget. Aligning budgeting processes with well-defined reporting expectations is key to assessing the performance of the department's programs.

Performance measures are fundamental for assessing the effectiveness of the department's programs and projects. Providing for the safety of the citizens of Washington and striving to maintain and improve the mobility of people and goods are the cornerstones of state transportation policies. As the department develops performance measures, as required under chapter 43.88 RCW, they shall include consideration of the key indicators used by the office of financial management in the performance-based budget process, and the benchmarks and measures developed by the transportation performance audit board, as well as utilizing the department's own "Gray book." Critiquing the effectiveness of these measures is a shared executive and legislative oversight responsibility.

Sec. 2. RCW 47.01.011 and 1977 ex.s. c 151 s 1 are each amended to read as follows:

The legislature hereby recognizes the following imperative needs within the state: To create a statewide <u>comprehensive</u> transportation ((development)) plan which identifies present status and sets goals for

the future; to coordinate transportation modes; to promote and protect land use programs required in local, state and federal law; to coordinate transportation with the economic development of the state; to supply a broad framework in which regional, metropolitan, and local transportation needs can be related; to facilitate the supply of federal and state aid to those areas which will most benefit the state as a whole; to provide for public involvement in the transportation planning and development process; to administer programs within the jurisdiction of this title relating to the safety of the state's transportation systems; and to coordinate and implement national transportation policy with the state transportation planning program.

The legislature finds and declares that placing all elements of transportation in a single department that reports to the governor is fully consistent with and (($\frac{\text{shall in no way}}{\text{of moneys}}$)) does not impair the use of moneys in the motor vehicle fund exclusively for highway purposes.

Through this chapter, a unified department of transportation is created. To the jurisdiction of this department will be transferred the present powers, duties, and functions of the <u>transportation commission</u>, except as otherwise provided by law, the department of highways, the highway commission, the toll bridge authority, the aeronautics commission, and the canal commission, and the transportation related powers, duties, and functions of the ((planning and community affairs agency)) department of community, trade, and economic development.

- Sec. 3. RCW 47.01.031 and 1988 c 167 s 11 are each amended to read as follows:
- (1) There is created a department of state government to be known as the department of transportation.
- (2) All powers, duties, and functions vested by law in the department of highways, the state highway commission, the transportation commission, the director of highways, the Washington toll bridge authority, the aeronautics commission, the director of aeronautics, and the canal commission, and the transportation related powers, duties, and functions of the ((planning and community affairs agency)) department of community, trade, and economic development, are transferred to the jurisdiction of the department, except those powers,

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duties, and functions which are expressly directed elsewhere ((in this or in any other act of the 1977 legislature)).

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(3) The board of pilotage commissioners is transferred to the jurisdiction of the department for its staff support and administration((: PROVIDED, That)). Nothing in this section shall be construed as transferring any policy making powers of the board of pilotage commissioners to the transportation commission or the department of transportation.

Sec. 4. RCW 47.01.051 and 1977 ex.s. c 151 s 5 are each amended to read as follows:

There is hereby created a transportation commission, which shall consist of seven members appointed by the governor, with the consent of the senate. ((The present five members of the highway commission shall serve as five initial members of the transportation commission until their terms of office as highway commission members would have expired. The additional two members provided herein for the transportation commission shall be appointed for initial terms to expire on June 30, 1982, and June 30, 1983. Thereafter)) All terms for commission members appointed after the effective date of this act shall be for ((six)) four years. No elective state official or state officer ((or state employee)) shall be a member of the commission, and not more than four members of the commission shall at the time of appointment or thereafter during their respective terms of office be members of the same major political party. At the time of appointment or thereafter during their respective terms of office, four members of the commission shall reside in the western part of the state and three members shall reside in the eastern part of the state as divided north and south by the summit of the Cascade mountains. No more than two members of the commission shall reside in the same county. Commissioners ((shall not)) may be removed from office by the governor before the expiration of their terms ((unless for a disqualifying change of residence or for cause based upon a determination of incapacity, incompetence, neglect of duty, or malfeasance in office by the superior court of the state of Washington in and for Thurston county upon petition and show cause proceedings duly brought therefor in said court and directed to the commissioner in question. No member shall be appointed for more than two consecutive terms)) for cause.

Sec. 5. RCW 47.01.061 and 2005 c 319 s 4 are each amended to read as follows:

- (1) The commission shall meet at such times as it deems advisable ((but at least once every month. It may adopt its own rules and regulations and may establish its own procedure)). It shall act collectively in harmony with recorded resolutions or motions adopted by majority vote of at least four members. The commission may appoint an administrative secretary((, and shall elect one of its members chairman for a term of one year)). The governor shall appoint the chair of the commission. The ((chairman shall be able to)) chair may vote on all matters before the commission. The commission may ((from time to time)) retain planners, consultants, and other technical personnel to advise it in the performance of its duties.
- (2) The commission shall submit to each regular session of the legislature held in an odd-numbered year <u>and to the office of financial management</u> its own budget proposal necessary for the commission's operations ((separate from that proposed for the department)).
- (3) Each member of the commission shall be compensated in accordance with RCW 43.03.250 and shall be reimbursed for actual necessary traveling and other expenses in going to, attending, and returning from meetings of the commission, and actual and necessary traveling and other expenses incurred in the discharge of such duties as may be requested by a majority vote of the commission or by the ((secretary of transportation)) chair, but in no event shall a commissioner be compensated in any year for more than one hundred twenty days, except the ((chairman of the commission)) chair who may be paid compensation for not more than one hundred fifty days. Service on the commission shall not be considered as service credit for the purposes of any public retirement system.
- 30 (4) Each member of the commission shall disclose any actual or 31 potential conflict of interest, if applicable under the circumstance, 32 regarding any commission business.
- **Sec. 6.** RCW 47.01.071 and 2005 c 319 s 5 are each amended to read as follows:
- The transportation commission shall have the following functions, powers, and duties:

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(1) ((To propose policies to be adopted by the governor and the legislature designed to assure the development and maintenance of a comprehensive and balanced statewide transportation system which will meet the needs of the people of this state for safe and efficient transportation services. Wherever appropriate the policies shall provide for the use of integrated, intermodal transportation systems to implement the social, economic, and environmental policies, goals, and objectives of the people of the state, and especially to conserve nonrenewable natural resources including land and energy. To this end the commission shall:

- (a) Develop transportation policies which are based on the policies, goals, and objectives expressed and inherent in existing state laws;
- (b) Inventory the adopted policies, goals, and objectives of the local and area wide governmental bodies of the state and define the role of the state, regional, and local governments in determining transportation policies, in transportation planning, and in implementing the state transportation plan;
 - (c) Propose a transportation policy for the state;
- (d) Establish a procedure for review and revision of the state transportation policy and for submission of proposed changes to the governor and the legislature;
- (e) To integrate the statewide transportation plan with the needs of the elderly and handicapped, and to coordinate federal and state programs directed at assisting local governments to answer such needs;
- (2) To provide for the effective coordination of state transportation planning with national transportation policy, state and local land use policies, and local and regional transportation plans and programs;
- (3)) In conjunction with the provisions under RCW 47.01.075, to provide for public involvement in transportation designed to elicit the public's views both with respect to adequate transportation services and appropriate means of minimizing adverse social, economic, environmental, and energy impact of transportation programs;
- ((4))) (2) To ((prepare a)) review, consider, and gather public input on the statewide comprehensive and balanced statewide transportation plan ((which shall be based on the transportation policy adopted by the governor and the legislature and applicable state and

federal laws. The plan shall be reviewed and revised, and submitted to the governor and the house of representatives and senate standing committees on transportation, prior to each regular session of the legislature during an even numbered year thereafter.

The plan shall take into account federal law and regulations relating to the planning, construction, and operation of transportation facilities)) prepared by the department as provided in RCW 47.01.101(12);

- $((\frac{5}{1}))$ (3) To propose to the governor and the legislature prior to the convening of each regular session held in an odd-numbered year a recommended budget for the operations of the commission as required by RCW 47.01.061;
- (((6) To approve the issuance and sale of all bonds authorized by the legislature for capital construction of state highways, toll facilities, Columbia Basin county roads (for which reimbursement to the motor vehicle fund has been provided), urban arterial projects, and aviation facilities;
- (7))) (4) To adopt such rules((, regulations, and policy directives)) as may be necessary to carry out reasonably and properly those functions expressly vested in the commission by statute;
 - ((+8)) (5) To contract with the office of financial management or other appropriate state agencies for administrative support, accounting services, computer services, and other support services necessary to carry out its other statutory duties;
- $((\frac{(9)}{(9)}))$ (6) To exercise such other specific powers and duties as may be vested in the transportation commission by this or any other provision of law.
- **Sec. 7.** RCW 47.01.075 and 2005 c 319 s 6 are each amended to read 29 as follows:
 - (1) The transportation commission shall provide a forum ((for the development of)) to gather public input regarding transportation policy in Washington state, including input on the statewide comprehensive transportation plan. It may recommend to the secretary of transportation, the governor, and the legislature means for obtaining appropriate citizen ((and professional)) involvement in ((all)) transportation policy formulation ((and other matters related to the powers and duties of the department)). It may ((further)) hold

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- hearings and explore ways to improve the mobility of the citizenry.

 ((At least every five years, the commission shall convene regional
 forums to gather citizen input on transportation issues.
 - (2) Every two years, in coordination with the development of the state biennial budget, the commission shall prepare the statewide multimodal transportation progress report that outlines the transportation priorities of the ensuing biennium. The report must:
 - (a) Consider the citizen input gathered at the forums;
- 9 (b) Be developed with the assistance of state transportation-10 related agencies and organizations;
 - (c) Be developed with the input from state, local, and regional jurisdictions, transportation service providers, and key transportation stakeholders;
 - (d) Be considered by the secretary of transportation and other state transportation related agencies in preparing proposed agency budgets and executive request legislation;
 - (e) Be submitted by the commission to the governor by October 1st of each even numbered year for consideration by the governor.
 - (3) In fulfilling its responsibilities under this section, the commission may create ad hoc committees or other such committees of limited duration as necessary.
 - (4))) (2) In order to promote a better transportation system, the commission ((shall offer policy guidance and)) may make recommendations to the governor and the legislature in key issue areas, including but not limited to:
 - (a) Transportation finance;

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- 27 (b) Preserving, maintaining, and operating the statewide 28 transportation system;
 - (c) Transportation infrastructure needs;
- 30 (d) Promoting best practices for adoption and use by 31 transportation-related agencies and programs;
- 32 (e) Transportation efficiencies that will improve service delivery 33 and/or coordination;
- 34 (f) Improved planning and coordination among transportation 35 agencies and providers; and
- 36 (g) Use of intelligent transportation systems and other technology-37 based solutions.

Sec. 8. RCW 47.01.091 and 1977 ex.s. c 151 s 9 are each amended to read as follows:

The secretary shall establish such advisory councils as are necessary to carry out the purposes of this ((1977 amendatory act)) title, and to insure adequate public participation in the planning and development of transportation facilities. Members of such councils shall serve at the pleasure of the secretary and may receive per diem and necessary expenses, in accordance with RCW 43.03.050 and 43.03.060, as now or hereafter amended.

- 10 **Sec. 9.** RCW 47.01.101 and 2005 c 319 s 7 are each amended to read 11 as follows:
- 12 The secretary shall have the authority and it shall be his or her 13 duty:
- 14 (1) To serve as chief executive officer of the department with full administrative authority to direct all its activities;

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- (2) To organize the department as he or she may deem necessary to carry out the work and responsibilities of the department effectively;
- (3) To designate and establish such transportation district, region, or branch offices as may be necessary or convenient, and to appoint assistants and delegate any powers, duties, and functions to them or any officer or employee of the department as deemed necessary to administer the department efficiently;
- (4) To direct and coordinate the programs of the various divisions of the department to assure that they achieve the greatest possible mutual benefit, produce a balanced overall effort, and eliminate unnecessary duplication of activity;
- (5) To adopt all department rules that are subject to the adoption procedures contained in the state administrative procedure $act((\tau except rules subject to adoption by the commission pursuant to statute));$
- (6) To maintain and safeguard the official records of the department, including the commission's recorded resolutions and orders;
- (7) To provide, under contract or interagency agreement, ((full)) staff support on a reimbursable basis to the commission to assist it in carrying out its functions, powers, and duties;
 - (8) To execute and implement the biennial operating budget for the

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operation of the department in accordance with chapter 43.88 RCW and with legislative appropriation;

- (9) To advise the governor, the office of financial management, and the legislature with respect to matters under the jurisdiction of the department; ((and))
- (10) To exercise all other powers and perform all other duties as are now or hereafter provided by law;
- 8 (11) To integrate government performance and accountability tools
 9 in the planning, coordination, and performance of its duties,
 10 including, but not limited to, performance reviews, performance-based
 11 budgeting, and quality assessments; and
- (12) To prepare a comprehensive and balanced statewide transportation plan which shall be based on the transportation policy adopted by the legislature, applicable state and federal laws, and the biennial priorities of government as adopted by the governor. The plan shall take into account federal law and regulations relating to the planning, construction, and operation of transportation facilities. The secretary shall ensure that local and regional transportation issues are integrated and considered in the plan. The plan shall be submitted to the commission for its review and for it to gather public input.
- **Sec. 10.** RCW 47.01.250 and 1998 c 245 s 92 are each amended to 23 read as follows:

((The chief of the Washington state patrol, the director of the traffic safety commission, the executive director of the county road administration board, and the director of licensing are designated as official consultants to the transportation commission so that the goals and activities of their respective agencies which relate to transportation are fully coordinated with other related responsibilities of the department of transportation. In this capacity, the chief of the Washington state patrol, the director of the traffic safety commission, the executive director of the county road administration board, and the director of licensing shall consult with the transportation commission and the secretary of transportation on the implications and impacts on the transportation related functions and duties of their respective agencies of any proposed comprehensive transportation plan, program, or policy.))

In order to develop fully integrated, balanced, and coordinated transportation plans, programs, and budgets the chief of the Washington state patrol, the director of the traffic safety commission, the executive director of the county road administration board, and the director of licensing shall consult with the secretary of transportation on the matter of relative priorities during the development of their respective agencies' plans, programs, and budgets as they pertain to transportation activities.

- **Sec. 11.** RCW 47.01.280 and 2005 c 319 s 121 are each amended to 10 read as follows:
 - (1) Upon receiving an application for improvements to an existing state highway or highways pursuant to RCW 43.160.074 from the community economic revitalization board, the ((transportation commission)) department shall, in a timely manner, determine whether or not the proposed state highway improvements:
- 16 (a) Meet the safety and design criteria of the department of transportation;
- 18 (b) Will impair the operational integrity of the existing highway 19 system; and
- 20 (c) Will affect any other improvements planned by the department(($\dot{\tau}$ 21 and
- 22 (d) Will be consistent with its policies developed pursuant to RCW 23 47.01.071)).
 - (2) Upon completion of its determination of the factors contained in subsection (1) of this section and any other factors it deems pertinent, the ((transportation commission)) department shall forward its approval, as submitted or amended or disapproval of the proposed improvements to the board, along with any recommendation it may wish to make concerning the desirability and feasibility of the proposed development. If the ((transportation commission)) department disapproves any proposed improvements, it shall specify its reasons for disapproval.
- (3) Upon notification from the board of an application's approval pursuant to RCW 43.160.074, the ((transportation commission)) department shall ((direct the department of transportation to)) carry out the improvements in coordination with the applicant.

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Sec. 12. RCW 47.05.021 and 2005 c 319 s 8 are each amended to read 2 as follows:

- (1) The department shall conduct periodic analyses of the entire state highway system((-)) and report to the ((commission)) office of financial management and the chairs of the transportation committees of the senate and house of representatives, any subsequent recommendations to subdivide, classify, and subclassify all designated state highways into the following three functional classes:
- (a) The "principal arterial system" shall consist of a connected network of rural arterial routes with appropriate extensions into and through urban areas, including all routes designated as part of the interstate system, which serve corridor movements having travel characteristics indicative of substantial statewide and interstate travel;
- (b) The "minor arterial system" shall, in conjunction with the principal arterial system, form a rural network of arterial routes linking cities and other activity centers which generate long distance travel, and, with appropriate extensions into and through urban areas, form an integrated network providing interstate and interregional service; and
- (c) The "collector system" shall consist of routes which primarily serve the more important intercounty, intracounty, and intraurban travel corridors, collect traffic from the system of local access roads and convey it to the arterial system, and on which, regardless of traffic volume, the predominant travel distances are shorter than on arterial routes.
- (2) The ((transportation commission)) department shall adopt a functional classification of highways. The ((commission)) department shall consider ((the recommendations of the department and testimony)) comments from the public and local municipalities. The ((commission)) department shall give consideration to criteria consistent with this section and federal regulations relating to the functional classification of highways, including but not limited to the following:
- (a) Urban population centers within and without the state stratified and ranked according to size;
- 36 (b) Important traffic generating economic activities, including but 37 not limited to recreation, agriculture, government, business, and 38 industry;

- 1 (c) Feasibility of the route, including availability of alternate 2 routes within and without the state;
- 3 (d) Directness of travel and distance between points of economic 4 importance;
 - (e) Length of trips;

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- (f) Character and volume of traffic;
- 7 (g) Preferential consideration for multiple service which shall 8 include public transportation;
 - (h) Reasonable spacing depending upon population density; and
 - (i) System continuity.
- (3) The ((transportation commission)) department or the legislature 11 12 shall designate state highways of statewide significance under RCW 13 47.06.140. If the ((commission)) department designates a state highway 14 of statewide significance, it shall submit a list of such facilities for adoption by the legislature. This statewide system shall include 15 16 at a minimum interstate highways and other statewide principal 17 arterials that are needed to connect major communities across the state and support the state's economy. 18
 - (4) The ((transportation commission)) department shall designate a freight and goods transportation system. This statewide system shall include state highways, county roads, and city streets. The ((commission)) department, in cooperation with cities and counties, shall review and make recommendations to the legislature regarding policies governing weight restrictions and road closures which affect the transportation of freight and goods.
- 26 **Sec. 13.** RCW 47.05.030 and 2005 c 319 s 9 are each amended to read 27 as follows:

The ((transportation commission)) department, in consultation with the office of financial management, shall ((adopt)) develop a comprehensive ((ten-year)) sixteen-year investment program specifying program objectives and performance measures for the preservation and improvement programs defined in this section. The ((adopted ten-year)) sixteen-year investment program must be forwarded as a recommendation to the governor and the legislature. In the specification of investment program objectives and performance measures, the ((transportation commission, in consultation with the Washington state)) department ((of transportation,)) shall define and adopt standards for effective

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- programming and prioritization practices including a needs analysis 1 The analysis process must ensure the identification of 2 problems and deficiencies, the evaluation of alternative solutions and 3 trade-offs, and estimations of the costs and benefits of prospective 4 5 projects. ((The investment program must be revised based on directions by the office of financial management.)) The investment program must 6 7 be based upon the needs identified in the state-owned highway component of the statewide comprehensive transportation plan ((as defined in RCW 8 9 47.01.071(3))).
 - (1) The preservation program consists of those investments necessary to preserve the existing state highway system and to restore existing safety features, giving consideration to lowest life_cycle costing. The preservation program must require use of the most cost-effective pavement surfaces, considering:
 - (a) Life-cycle cost analysis;
- 16 (b) Traffic volume;

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- (c) Subgrade soil conditions;
- 18 (d) Environmental and weather conditions;
- 19 (e) Materials available; and
- 20 (f) Construction factors.

The comprehensive ((ten-year)) <u>sixteen-year</u> investment program for preservation must identify projects for two years and an investment plan for the remaining eight years.

(2) The improvement program consists of investments needed to address identified deficiencies on the state highway system to increase mobility, address congestion, and improve safety, support for the economy, and protection of the environment. The ((ten-year)) sixteen-year investment program for improvements must identify projects for two years and major deficiencies proposed to be addressed in the ((ten-year)) sixteen-year period giving consideration to relative benefits and life-cycle costing. The ((transportation commission)) program shall give higher priority for correcting identified deficiencies on those facilities classified as facilities of statewide significance as defined in RCW 47.06.140. Project prioritization must be based primarily upon cost-benefit analysis, where appropriate.

The ((transportation commission)) department shall ((approve and present)) submit the comprehensive ((ten year)) sixteen-year investment

1 program to the governor and the legislature as directed by the office 2 of financial management.

- Sec. 14. RCW 47.05.035 and 2005 c 319 s 10 are each amended to read as follows:
- (1) The department shall use the transportation demand modeling tools developed under subsection (2) of this section to evaluate investments based on the best mode or improvement, or mix of modes and improvements, to meet current and future long-term demand within a corridor or system for the lowest cost. The end result of these demand modeling tools is to provide a cost-benefit analysis by which the department can determine the relative mobility improvement and congestion relief each mode or improvement under consideration will provide and the relative investment each mode or improvement under consideration will need to achieve that relief.
- (2) The department will participate in the refinement, enhancement, and application of existing transportation demand modeling tools to be used to evaluate investments. This participation and use of transportation demand modeling tools will be phased in.
- (3) In developing program objectives and performance measures, the department shall evaluate investment trade-offs between the preservation and improvement programs. In making these investment trade-offs, the department shall evaluate, using cost-benefit techniques, roadway and bridge maintenance activities as compared to roadway and bridge preservation program activities and adjust those programs accordingly.
- (4) The department shall allocate the estimated revenue between preservation and improvement programs giving primary consideration to the following factors:
- (a) The relative needs in each of the programs and the system performance levels that can be achieved by meeting these needs;
- (b) The need to provide adequate funding for preservation to protect the state's investment in its existing highway system;
- 33 (c) The continuity of future transportation development with those 34 improvements previously programmed; and
- 35 (d) The availability of dedicated funds for a specific type of 36 work.

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- 1 (5) The ((commission)) office of financial management shall review 2 the results of the department's findings and shall consider those 3 findings in the development of the ((ten-year)) sixteen-year program.
- 4 **Sec. 15.** RCW 47.05.051 and 2005 c 319 s 11 are each amended to read as follows:
- 6 (((1))) The comprehensive ((ten-year)) <u>sixteen-year</u> investment 7 program shall be based upon the needs identified in the state-owned 8 highway component of the statewide ((multimodal)) <u>comprehensive</u> 9 transportation plan ((as defined in RCW 47.01.071(4))) and priority 10 selection systems that incorporate the following criteria:
- 11 (((a))) <u>(1)</u> Priority programming for the preservation program shall 12 take into account the following, not necessarily in order of 13 importance:
- 14 $((\frac{1}{2}))$ (a) Extending the service life of the existing highway 15 system, including using the most cost-effective pavement surfaces, 16 considering:
- 17 $((\frac{A}{A}))$ <u>(i)</u> Life-cycle cost analysis;
- 18 $((\frac{B}{B}))$ (ii) Traffic volume;
- 19 (((C))) <u>(iii)</u> Subgrade soil conditions;
- 20 $((\frac{D}{D}))$ (iv) Environmental and weather conditions;
- 21 (((E))) <u>(v)</u> Materials available; and
- 22 (((F))) <u>(vi)</u> Construction factors;
- 23 (((ii))) <u>(b)</u> Ensuring the structural ability to carry loads imposed 24 upon highways and bridges; and
- ((\(\frac{\text{(iii)}}{\text{)}}\)) (c) Minimizing life_cycle costs. ((\(\frac{\text{The transportation}}{\text{commission in carrying out the provisions of this section may delegate}\)
 to the department of transportation the authority to select
 preservation projects to be included in the ten year program.
- 29 (b))) (2) Priority programming for the improvement program must be 30 based primarily upon the following, not necessarily in order of 31 importance:
- $((\frac{(i)}{(i)}))$ (a) Traffic congestion, delay, and accidents;
- $((\frac{(ii)}{(ii)}))$ (b) Location within a heavily traveled transportation corridor;
- 35 (((iii))) <u>(c)</u> Except for projects in cities having a population of 36 less than five thousand persons, synchronization with other potential

- transportation projects, including transit and multimodal projects, within the heavily traveled corridor; and
- 3 $((\frac{(iv)}{)})$ <u>(d)</u> Use of benefit/cost analysis wherever feasible to determine the value of the proposed project.
- 5 $((\frac{(c)}{c}))$ (3) Priority programming for the improvement program may 6 also take into account:
- 7 $((\frac{1}{2}))$ (a) Support for the state's economy, including job creation 8 and job preservation;
 - $((\frac{(ii)}{(ii)}))$ (b) The cost-effective movement of people and goods;
- 10 (((iii))) <u>(c)</u> Accident and accident risk reduction;

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- 11 $((\frac{(iv)}{(iv)}))$ (d) Protection of the state's natural environment;
- 12 (((v))) (e) Continuity and systematic development of the highway transportation network;
 - $((\frac{(vi)}{)})$ (f) Consistency with local comprehensive plans developed under chapter 36.70A RCW including the following if they have been included in the comprehensive plan:
- 17 $((\frac{A}{A}))$ <u>(i)</u> Support for development in and revitalization of existing downtowns;
- 19 (((B))) <u>(ii)</u> Extent that development implements local comprehensive 20 plans for rural and urban residential and nonresidential densities;
- 21 (((C))) <u>(iii)</u> Extent of compact, transit-oriented development for 22 rural and urban residential and nonresidential densities;
- $((\frac{D}{D}))$ (iv) Opportunities for multimodal transportation; and
- 24 (((E))) (v) Extent to which the project accommodates planned growth 25 and economic development;
- 26 (((vii))) <u>(g)</u> Consistency with regional transportation plans 27 developed under chapter 47.80 RCW;
- 28 (((viii))) (h) Public views concerning proposed improvements;
- 29 $((\frac{(ix)}{i}))$ (i) The conservation of energy resources;
- $((\frac{x}{y}))$ (j) Feasibility of financing the full proposed improvement;
- 31 $((\frac{(xi)}{(xi)}))$ <u>(k)</u> Commitments established in previous legislative 32 sessions;
- $((\frac{(xii)}{)}))$ (1) Relative costs and benefits of candidate programs.
- ((d) Major projects addressing capacity deficiencies which prioritize allowing for preliminary engineering shall be reprioritized during the succeeding biennium, based upon updated project data.
- 37 Reprioritized projects may be delayed or canceled by the transportation
- 38 commission if higher priority projects are awaiting funding.

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(e) Major project approvals which significantly increase a project's scope or cost from original prioritization estimates shall include a review of the project's estimated revised priority rank and the level of funding provided. Projects may be delayed or canceled by the transportation commission if higher priority projects are awaiting funding.

- (2) The commission may depart from the priority programming established under subsection (1) of this section: (a) To the extent that otherwise funds cannot be utilized feasibly within the program; (b) as may be required by a court judgment, legally binding agreement, or state and federal laws and regulations; (c) as may be required to coordinate with federal, local, or other state agency construction projects; (d) to take advantage of some substantial financial benefit that may be available; (e) for continuity of route development; or (f) because of changed financial or physical conditions of an unforeseen or emergent nature. The commission or secretary of transportation shall maintain in its files information sufficient to show the extent to which the commission has departed from the established priority.
- 19 (3) The commission shall identify those projects that yield freight
 20 mobility benefits or that alleviate the impacts of freight mobility
 21 upon affected communities.))
- **Sec. 16.** RCW 36.57A.191 and 2003 c 363 s 304 are each amended to 23 read as follows:
 - As a condition of receiving state funding, a public transportation benefit area authority shall submit a maintenance and preservation management plan for certification by the <u>department of</u> transportation ((commission or its successor entity)). The plan must inventory all transportation system assets within the direction and control of the authority, and provide a preservation plan based on lowest life-cycle cost methodologies.
 - Sec. 17. RCW 36.78.121 and 2003 c 363 s 307 are each amended to read as follows:
- 33 The county road administration board, or its successor entity, 34 shall establish a standard of good practice for maintenance of 35 transportation system assets. This standard must be implemented by all 36 counties no later than December 31, 2007. The board shall develop a

- model maintenance management system for use by counties. The board 1
- 2 shall develop rules to assist the counties in the implementation of
- this system. Counties shall annually submit their maintenance plans to 3
- 4 the board. The board shall compile the county data regarding
- 5 maintenance management and annually submit it to the <u>department of</u>
- transportation ((commission or its successor entity)). 6
- 7 Sec. 18. RCW 36.79.120 and 1988 c 26 s 6 are each amended to read as follows: 8
- 9 Counties receiving funds from the rural arterial trust account for construction of arterials and the construction of replacement bridges 10
- 11 funded by the federal bridge replacement program on access roads in
- rural areas shall provide such matching funds as established by rules 12
- recommended by the board, subject to review, revision, and final 13
- approval by the ((state)) department of transportation ((commission)). 14
- 15 Matching requirements shall be established after appropriate studies by
- 16 the board, taking into account financial resources available to
- 17 counties to meet arterial needs.
- Sec. 19. RCW 36.79.130 and 1983 1st ex.s. c 49 s 13 are each 18 19 amended to read as follows:
- 20 Not later than November 1st of each even-numbered year the board
- 21 shall prepare and present to the ((state)) department of transportation
- 22 ((commission)) a recommended budget for expenditures from the rural 23
- arterial trust account during the ensuing biennium. The budget shall
- contain an estimate of the revenues to be credited to the rural 24
- 25 arterial trust account.
- The ((state transportation commission)) department shall review the 26
- budget as recommended, revise the budget as it deems proper, and 27
- 28 include the budget as revised as a separate section of the
- 29 transportation budget which it shall submit to the governor pursuant to
- 30 chapter 43.88 RCW.
- **Sec. 20.** RCW 36.120.020 and 2002 c 56 s 102 are each amended to 31
- read as follows: 32
- The definitions in this section apply throughout this chapter 33
- 34 unless the context clearly requires otherwise.

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- 1 (1) "Board" means the governing body of a regional transportation 2 investment district.
 - (2) "Department" means the Washington state department of transportation.
 - (3) "Highway of statewide significance" means an existing or proposed state route or federal interstate designated as a highway of statewide significance by the transportation commission, ((its successor entity)) the department, or the legislature.
- 9 (4) "Lead agency" means a public agency that by law can plan, 10 design, and build a transportation project and has been so designated 11 by the district.
 - (5) "Regional transportation investment district" or "district" means a municipal corporation whose boundaries are coextensive with two or more contiguous counties and that has been created by county legislative authorities and a vote of the people under this chapter to implement a regional transportation investment plan.
 - (6) "Regional transportation investment district planning committee" or "planning committee" means the advisory committee created under RCW 36.120.030 to create and propose to county legislative authorities a regional transportation investment plan to develop, finance, and construct transportation projects.
- 22 (7) "Regional transportation investment plan" or "plan" means a 23 plan to develop, construct, and finance a transportation project or 24 projects.
 - (8) "Transportation project" means:
 - (a) A capital improvement or improvements to a highway that has been designated, in whole or in part, as a highway of statewide significance, including an extension, that:
- 29 (i) Adds a lane or new lanes to an existing state or federal 30 highway; or
- 31 (ii) Repairs or replaces a lane or lanes damaged by an event 32 declared an emergency by the governor before January 1, 2002.
 - (b) A capital improvement or improvements to all or a portion of a highway of statewide significance, including an extension, and may include the following associated multimodal capital improvements:
 - (i) Approaches to highways of statewide significance;
- 37 (ii) High-occupancy vehicle lanes;
- 38 (iii) Flyover ramps;

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- 1 (iv) Park and ride lots;
- 2 (v) Bus pullouts;
- 3 (vi) Vans for vanpools;
- 4 (vii) Buses; and

- 5 (viii) Signalization, ramp metering, and other transportation 6 system management improvements.
 - (c) A capital improvement or improvements to all or a portion of a city street, county road, or existing highway or the creation of a new highway that intersects with a highway of statewide significance, if all of the following conditions are met:
 - (i) The project is included in a plan that makes highway improvement projects that add capacity to a highway or highways of statewide significance;
 - (ii) The secretary of transportation determines that the project would better relieve traffic congestion than investing that same money in adding capacity to a highway of statewide significance;
 - (iii) Matching money equal to one-third of the total cost of the project is provided by local entities, including but not limited to a metropolitan planning organization, county, city, port, or private entity in which a county participating in a plan is located. Local entities may use federal grants to meet this matching requirement;
 - (iv) In no case may the cumulative regional transportation investment district contribution to all projects constructed under this subsection (8)(c) exceed ten percent of the revenues generated by the district;
 - (v) In no case may the cumulative regional transportation investment district contribution to all projects constructed under this subsection (8)(c) exceed one billion dollars; and
- 29 (vi) The specific projects are included within the plan and 30 submitted as part of the plan to a vote of the people.
 - (d) Operations, preservation, and maintenance are excluded from this definition and may not be included in a regional transportation investment plan.
 - (9) "Weighted vote" means a vote that reflects the population each board or planning committee member represents relative to the population represented by the total membership of the board or planning committee. Population will be determined using the federal 2000 census or subsequent federal census data.

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- 1 **Sec. 21.** RCW 36.120.060 and 2002 c 56 s 106 are each amended to read as follows:
- 3 (1) The planning committee shall consider the following criteria 4 for selecting transportation projects to improve corridor performance:
 - (a) Reduced level of congestion and improved safety;
 - (b) Improved travel time;

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- (c) Improved air quality;
- 8 (d) Increases in daily and peak period person and vehicle trip 9 capacity;
 - (e) Reductions in person and vehicle delay;
- 11 (f) Improved freight mobility; and
- 12 (g) Cost-effectiveness of the investment.
- (2) These criteria represent only minimum standards that must be considered in selecting transportation improvement projects. The board shall also consider rules and standards for benchmarks adopted by the ((transportation commission or its successor)) department as approved by the office of financial management.
- 18 **Sec. 22.** RCW 43.10.101 and 2005 c 319 s 104 are each amended to 19 read as follows:

The attorney general shall prepare annually a report to the transportation committees of the legislature, ((the transportation commission)) the governor, the office of financial management, and ((the transportation performance audit board)) the Washington state department of transportation comprising a comprehensive summary of all cases involving tort claims against the department of transportation involving highways which were concluded and closed in the previous calendar year. The report shall include for each case closed:

- (1) A summary of the factual background of the case;
- 29 (2) Identification of the attorneys representing the state and the 30 opposing parties;
- 31 (3) A synopsis of the legal theories asserted and the defenses 32 presented;
- 33 (4) Whether the case was tried, settled, or dismissed, and in whose favor;
- 35 (5) The approximate number of attorney hours expended by the state 36 on the case, together with the corresponding dollar amount billed 37 therefore; and

(6) Such other matters relating to the case as the attorney general deems relevant or appropriate, especially including any comments or recommendations for changes in statute law or agency practice that might effectively reduce the exposure of the state to such tort claims.

Sec. 23. RCW 46.44.042 and 1996 c 116 s 1 are each amended to read as follows:

Subject to the maximum gross weights specified in RCW 46.44.041, it is unlawful to operate any vehicle upon the public highways with a gross weight, including load, upon any tire concentrated upon the surface of the highway in excess of six hundred pounds per inch width of such tire. An axle manufactured after July 31, 1993, carrying more than ten thousand pounds gross weight must be equipped with four or more tires. ((Effective January 1, 1997,)) An axle carrying more than ten thousand pounds gross weight must have four or more tires, regardless of date of manufacture. Instead of the four or more tires per axle requirements of this section, an axle may be equipped with two tires limited to five hundred pounds per inch width of tire. This section does not apply to vehicles operating under oversize or overweight permits, or both, issued under RCW 46.44.090, while carrying a nonreducible load.

The following equipment may operate at six hundred pounds per inch width of tire: (1) A nonliftable steering axle or axles on the power unit; (2) a tiller axle on fire fighting apparatus; (3) a rear booster trailing axle equipped with two tires on a ready-mix concrete transit truck; and (4) a straddle trailer manufactured before January 1, 1996, equipped with single-tire axles or a single axle using a walking beam supported by two in-line single tires and used exclusively for the transport of fruit bins between field, storage, and processing. A straddle trailer manufactured after January 1, 1996, meeting this use criteria may carry five hundred fifteen pounds per inch width of tire on sixteen and one-half inch wide tires.

For the purpose of this section, the width of tire in case of solid rubber or hollow center cushion tires, so long as the use thereof may be permitted by the law, shall be measured between the flanges of the rim. For the purpose of this section, the width of tires in case of pneumatic tires shall be the maximum overall normal inflated width as

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stipulated by the manufacturer when inflated to the pressure specified and without load thereon.

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The department of transportation, ((under rules adopted by the transportation commission)) by rule with respect to state highways, and a local authority, with respect to a public highway under its jurisdiction, may extend the weight table in RCW 46.44.041 to one hundred fifteen thousand pounds. However, the extension must be in compliance with federal law, and vehicles operating under the extension must be in full compliance with the 1997 axle and tire requirements under this section.

Sec. 24. RCW 46.44.080 and 1977 ex.s. c 151 s 29 are each amended to read as follows:

Local authorities with respect to public highways under their jurisdiction may prohibit the operation thereon of motor trucks or other vehicles or may impose limits as to the weight thereof, or any other restrictions as may be deemed necessary, whenever any such public highway by reason of rain, snow, climatic or other conditions, will be seriously damaged or destroyed unless the operation of vehicles thereon be prohibited or restricted or the permissible weights thereof reduced: PROVIDED, That whenever a highway has been closed generally to vehicles or specified classes of vehicles, local authorities shall by general rule or by special permit authorize the operation thereon of school buses, emergency vehicles, and motor trucks transporting perishable commodities or commodities necessary for the health and welfare of local residents under such weight and speed restrictions as the local authorities deem necessary to protect the highway from undue damage: PROVIDED FURTHER, That the governing authorities of incorporated cities and towns shall not prohibit the use of any city street designated ((by the transportation commission as forming)) a part of the route of any primary state highway through any such incorporated city or town by vehicles or any class of vehicles or impose any restrictions or reductions in permissible weights unless such restriction, limitation, or prohibition, or reduction in permissible weights be first approved in writing by the department of transportation.

The local authorities imposing any such restrictions or limitations, or prohibiting any use or reducing the permissible weights shall do so by proper ordinance or resolution and shall erect or cause

to be erected and maintained signs designating the provisions of the ordinance or resolution in each end of the portion of any public highway affected thereby, and no such ordinance or resolution shall be effective unless and until such signs are erected and maintained.

The department shall have the same authority as hereinabove granted to local authorities to prohibit or restrict the operation of vehicles upon state highways. The department shall give public notice of closure or restriction. The department may issue special permits for the operation of school buses and motor trucks transporting perishable commodities or commodities necessary for the health and welfare of local residents under specified weight and speed restrictions as may be necessary to protect any state highway from undue damage.

Sec. 25. RCW 46.44.090 and 2001 c 262 s 1 are each amended to read 14 as follows:

The department of transportation, pursuant to <u>its</u> rules ((adopted by the transportation commission)) with respect to state highways, and local authorities, with respect to public highways under their jurisdiction, may, upon application in writing and good cause being shown therefor, issue a special permit in writing, or electronically, authorizing the applicant to operate or move a vehicle or combination of vehicles of a size, weight of vehicle, or load exceeding the maximum set forth in RCW 46.44.010, 46.44.020, 46.44.030, 46.44.034, and 46.44.041 upon any public highway under the jurisdiction of the authority granting such permit and for the maintenance of which such authority is responsible.

Sec. 26. RCW 46.44.092 and 1989 c 398 s 2 are each amended to read 27 as follows:

Special permits may not be issued for movements on any state highway outside the limits of any city or town in excess of the following widths:

On two-lane highways, fourteen feet;

On multiple-lane highways where a physical barrier serving as a median divider separates opposing traffic lanes, twenty feet;

On multiple-lane highways without a physical barrier serving as a median divider, thirty-two feet.

These limits apply except under the following conditions:

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(1) In the case of buildings, the limitations referred to in this section for movement on any two lane state highway other than the national system of interstate and defense highways may be exceeded under the following conditions: (a) Controlled vehicular traffic shall be maintained in one direction at all times; (b) the maximum distance of movement shall not exceed five miles; additional contiguous permits shall not be issued to exceed the five-mile limit: PROVIDED, That when the department of transportation((, pursuant to general rules adopted by the transportation commission,)) determines a hardship would result, this limitation may be exceeded upon approval of the department of transportation; (c) prior to issuing a permit а qualified transportation department employee shall make a visual inspection of the building and route involved determining that the conditions listed herein shall be complied with and that structures or overhead obstructions may be cleared or moved in order to maintain a constant and uninterrupted movement of the building; (d) special escort or other precautions may be imposed to assure movement is made under the safest possible conditions, and the Washington state patrol shall be advised when and where the movement is to be made;

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- (2) Permits may be issued for widths of vehicles in excess of the preceding limitations on highways or sections of highways which have been designed and constructed for width in excess of such limitations;
- (3) Permits may be issued for vehicles with a total outside width, including the load, of nine feet or less when the vehicle is equipped with a mechanism designed to cover the load pursuant to RCW 46.61.655;
- (4) These limitations may be rescinded when certification is made by military officials, or by officials of public or private power facilities, or when in the opinion of the department of transportation the movement or action is a necessary movement or action: PROVIDED FURTHER, That in the judgment of the department of transportation the structures and highway surfaces on the routes involved are capable of sustaining widths in excess of such limitation;
- (5) These limitations shall not apply to movement during daylight hours on any two lane state highway where the gross weight, including load, does not exceed eighty thousand pounds and the overall width of load does not exceed sixteen feet: PROVIDED, That the minimum and maximum speed of such movements, prescribed routes of such movements, the times of such movements, limitation upon frequency of trips (which

limitation shall be not less than one per week), and conditions to assure safety of traffic may be prescribed by the department of transportation or local authority issuing such special permit.

The applicant for any special permit shall specifically describe the vehicle or vehicles and load to be operated or moved and the particular state highways for which permit to operate is requested and whether such permit is requested for a single trip or for continuous operation.

Sec. 27. RCW 46.44.096 and 1996 c 92 s 1 are each amended to read as follows:

In determining fees according to RCW 46.44.0941, mileage on state primary and secondary highways shall be determined from the planning survey records of the department of transportation, and the gross weight of the vehicle or vehicles, including load, shall be declared by the applicant. Overweight on which fees shall be paid will be gross loadings in excess of loadings authorized by law or axle loadings in excess of loadings authorized by law, whichever is the greater. Loads which are overweight and oversize shall be charged the fee for the overweight permit without additional fees being assessed for the oversize features.

Special permits issued under RCW 46.44.047, 46.44.0941, or 46.44.095, may be obtained from offices of the department of transportation, ports of entry, or other agents appointed by the department.

The department may appoint agents for the purposes of selling special motor vehicle permits, temporary additional tonnage permits, and log tolerance permits. Agents so appointed may retain three dollars and fifty cents for each permit sold to defray expenses incurred in handling and selling the permits. If the fee is collected by the department of transportation, the department shall certify the fee so collected to the state treasurer for deposit to the credit of the motor vehicle fund.

The department may select a third party contractor, by means of competitive bid, to perform the department's permit issuance function, as provided under RCW 46.44.090. Factors the department shall consider, but is not limited to, in the selection of a third party contractor are economic benefit to both the department and the motor

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carrier industry, and enhancement of the overall level of permit service. For purposes of this section, "third party contractor" means a business entity that is authorized by the department to issue special permits. The <u>department of</u> transportation ((commission)) may adopt rules specifying the criteria that a business entity must meet in order to qualify as a third party contractor under this section.

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Fees established in RCW 46.44.0941 shall be paid to the political body issuing the permit if the entire movement is to be confined to roads, streets, or highways for which that political body responsible. When a movement involves a combination of state highways, county roads, and/or city streets the fee shall be paid to the ((state)) department of transportation. When a movement is confined within the city limits of a city or town upon city streets, including routes of state highways on city streets, all fees shall be paid to the city or town involved. A permit will not be required from city or town authorities for a move involving a combination of city or town streets and state highways when the move through a city or town is being confined to the route of the state highway. When a move involves a combination of county roads and city streets the fee shall be paid to the county authorities, but the fee shall not be collected nor the county permit issued until valid permits are presented showing that the city or town authorities approve of the move in question. When the movement involves only county roads the fees collected shall be paid to the county involved. Fees established shall be paid to the political body issuing the permit if the entire use of the vehicle during the period covered by the permit shall be confined to the roads, streets, or highways for which that political body is responsible.

28 **Sec. 28.** RCW 46.61.450 and 1977 ex.s. c 151 s 39 are each amended to read as follows:

It shall be unlawful for any person to operate a vehicle or any combination of vehicles over any bridge or other elevated structure or through any tunnel or underpass constituting a part of any public highway at a rate of speed or with a gross weight or of a size which is greater at any time than the maximum speed or maximum weight or size which can be maintained or carried with safety over any such bridge or structure or through any such tunnel or underpass when such bridge, structure, tunnel, or underpass is sign posted as hereinafter provided.

The secretary of transportation, if it be a bridge, structure, tunnel, or underpass upon a state highway, or the governing body or authorities of any county, city, or town, if it be upon roads or streets under their jurisdiction, may restrict the speed which may be maintained or the gross weight or size which may be operated upon or over any such bridge or elevated structure or through any such tunnel or underpass with safety thereto. The secretary or the governing body or authorities of any county, city, or town having jurisdiction shall determine and declare the maximum speed or maximum gross weight or size which such bridge, elevated structure, tunnel, or underpass can withstand or accommodate and shall cause suitable signs stating such maximum speed or maximum gross weight, or size, or either, to be erected and maintained on the right hand side of such highway, road, or street and at a distance of not less than one hundred feet from each end of such bridge, structure, tunnel, or underpass and on the approach thereto: PROVIDED, That in the event that any such bridge, elevated structure, tunnel, or underpass is upon a city street designated by the department of transportation ((commission)) as forming a part of the route of any state highway through any such incorporated city or town the determination of any maximum speed or maximum gross weight or size which such bridge, elevated structure, tunnel, or underpass can withstand or accommodate shall not be enforceable at any speed, weight, or size less than the maximum allowed by law, unless with the approval in writing of the secretary. Upon the trial of any person charged with a violation of this section, proof of either violation of maximum speed or maximum weight, or size, or either, and the distance and location of such signs as are required, shall constitute conclusive evidence of the maximum speed or maximum weight, or size, or either, which can be maintained or carried with safety over such bridge or elevated structure or through such tunnel or underpass.

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Sec. 29. RCW 46.68.113 and 2003 c 363 s 305 are each amended to read as follows:

During the 2003-2005 biennium, cities and towns shall provide to the transportation commission, or its successor entity, preservation rating information on at least seventy percent of the total city and town arterial network. Thereafter, the preservation rating information requirement shall increase in five percent increments in subsequent

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- 1 biennia. The rating system used by cities and towns must be based upon
- 2 the Washington state pavement rating method or an equivalent standard
- 3 approved by the <u>department of</u> transportation ((commission or its
- 4 successor entity)). Beginning January 1, 2007, the preservation rating
- 5 <u>information shall be submitted to the department.</u>

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- 6 **Sec. 30.** RCW 47.68.410 and 2005 c 316 s 3 are each amended to read 7 as follows:
 - (1) Upon completion of both the statewide assessment and analysis required under RCW 47.68.390 and 47.68.400, and to the extent funds are appropriated to the department for this purpose, the governor shall appoint an aviation planning council to consist of the following members: (a) The director of the aviation division of the department of transportation, or a designee; (b) the director of the department of community, trade, and economic development, or a designee; (c) ((a member of the transportation commission,)) an at large who shall be the chair of the council; (d) two members of the general public familiar with airport issues, including the impacts of airports on communities, one of whom must be from western Washington and one of whom must be from eastern Washington; (e) a technical expert familiar with federal aviation administration airspace and control issues; (f) a commercial airport operator; (g) a member of a growth management hearings board; (h) a representative of the Washington airport management association; and (i) an airline representative. The chair of the council may designate another councilmember to serve as the acting chair in the absence of the chair. The department of transportation shall provide all administrative and staff support for the council.
 - (2) The purpose of the council is to make recommendations, based on the findings of the assessment and analysis completed under RCW 47.68.390 and 47.68.400, regarding how best to meet the statewide commercial and general aviation capacity needs, as determined by the council. The council shall determine which regions of the state are in need of improvement regarding the matching of existing, or projected, airport facilities, and the long-range capacity needs at airports within the region expected to reach capacity before the year 2030. After determining these areas, the council shall make recommendations regarding the placement of future commercial and general aviation

- airport facilities designed to meet the need for improved aviation planning in the region. The council shall include public input in making final recommendations.
 - (3) The council shall submit its recommendations to the appropriate standing committees of the legislature, the governor, ((the transportation commission,)) and applicable regional transportation planning organizations.
 - (4) This section expires July 1, 2009.

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9 **Sec. 31.** RCW 47.28.010 and 1977 ex.s. c 151 s 59 are each amended to read as follows:

11 Whenever the general route of any state highway shall be designated 12 and laid out as running to or by way of certain designated points, without specifying the particular route to be followed to or by way of 13 such points, the ((transportation commission)) department shall 14 15 determine the particular route to be followed by said state highway to 16 or by way of said designated points, and shall be at liberty to select 17 and adopt as a part of such state highway, the whole or any part of any existing public highway previously designated as a county road, primary 18 road, or secondary road or now or hereafter classified as a county 19 20 The ((commission)) department need not select and adopt the 21 entire routes for such state highways at one time, but may select and adopt parts of such routes from time to time as it deems advisable. 22 23 Where a state highway is designated as passing by way of a certain 24 point, this shall not require the ((commission)) department to cause 25 such state highway to pass through or touch such point but such 26 designation is directional only and may be complied with by location in 27 the general vicinity. The department ((of transportation)) is empowered to construct as a part of any state highway as designated and 28 in addition to any portion meeting the limits of any incorporated city 29 30 or town a bypass section either through or around any such incorporated 31 city or town.

- 32 **Sec. 32.** RCW 47.28.170 and 1990 c 265 s 1 are each amended to read 33 as follows:
- 34 (1) Whenever the department finds that as a consequence of 35 accident, natural disaster, or other emergency, an existing state 36 highway is in jeopardy or is rendered impassible in one or both

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directions and the department further finds that prompt reconstruction, repair, or other work is needed to preserve or restore the highway for public travel, the department may obtain at least three written bids for the work without publishing a call for bids, and the secretary of transportation may award a contract forthwith to the lowest responsible

bidder.

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The department shall notify any association or organization of contractors filing a request to regularly receive notification. Notification to an association or organization of contractors shall include: (a) The location of the work to be done; (b) the general anticipated nature of the work to be done; and (c) the date determined by the department as reasonable in view of the nature of the work and emergent nature of the problem after which the department will not receive bids.

- (2) Whenever the department finds it necessary to protect a highway facility from imminent damage or to perform emergency work to reopen a highway facility, the department may contract for such work on a negotiated basis not to exceed force account rates for a period not to exceed thirty working days.
- (3) The secretary shall review any contract exceeding ((two)) seven hundred thousand dollars awarded under subsection (1) or (2) of this section with the ((transportation commission at its next regularly scheduled meeting)) office of financial management within thirty days of the contract award.
- 25 (4) Any person, firm, or corporation awarded a contract for work 26 must be prequalified pursuant to RCW 47.28.070 and may be required to 27 furnish a bid deposit or performance bond.
- 28 **Sec. 33.** RCW 47.38.060 and 1996 c 172 s 1 are each amended to read 29 as follows:

30 The ((transportation commission)) department may designate 31 interstate safety rest areas, as appropriate, as locations for memorial signs to prisoners of war and those missing in action. 32 ((commission)) department shall adopt policies for the placement of 33 memorial signs on interstate safety rest areas and may disapprove any 34 memorial sign that it determines to be inappropriate or inconsistent 35 36 with the policies. The policies shall include, but are not limited to, 37 guidelines for the size and location of and inscriptions on memorial

- 1 signs. The secretary shall adopt rules for administering this program.
- 2 Nonprofit associations may have their name identified on a memorial
- 3 sign if the association bears the cost of supplying and maintaining the
- 4 memorial sign.
- 5 **Sec. 34.** RCW 47.52.133 and 1987 c 200 s 2 are each amended to read 6 as follows:
- 7 in RCW 47.52.134, the ((transportation Except as provided 8 commission)) department and the highway authorities of the counties and 9 incorporated cities and towns, with regard to facilities under their 10 respective jurisdictions, prior to the establishment of any limited 11 access facility, shall hold a public hearing within the county, city, 12 or town wherein the limited access facility is to be established to determine the desirability of the plan proposed by such authority. 13 Notice of such hearing shall be given to the owners of property 14 15 abutting the section of any existing highway, road, or street being 16 established as a limited access facility, as indicated in the tax rolls 17 of the county, and in the case of a state limited access facility, to the county and/or city or town. Such notice shall be by United States 18 mail in writing, setting forth a time for the hearing, which time shall 19 20 be not less than fifteen days after mailing of such notice. Notice of 21 such hearing also shall be given by publication not less than fifteen 22 days prior to such hearing in one or more newspapers of general 23 circulation within the county, city, or town. Such notice by 24 publication shall be deemed sufficient as to any owner or reputed owner 25 or any unknown owner or owner who cannot be located. Such notice shall 26 indicate a suitable location where plans for such proposal may be 27 inspected.
- 28 **Sec. 35.** RCW 47.52.145 and 1981 c 95 s 2 are each amended to read 29 as follows:
- ((Whenever)) After ((the)) final adoption of a ((plan for a))
 limited access highway by the ((transportation commission)) department,
 an additional design public hearing with respect to the facility or any
 portion thereof is conducted pursuant to federal law resulting in a
 revision of the design of the limited access plan, the ((commission))
 department may modify the previously adopted limited access plan to

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conform to the revised design without further public hearings providing the following conditions are met:

- (1) As compared with the previously adopted limited access plan, the revised plan will not require additional or different right of way with respect to that section of highway for which the design has been revised, in excess of five percent by area; and
- (2) If the previously adopted limited access plan was modified by a board of review convened at the request of a county, city, or town, the legislative authority of the county, city, or town shall approve any revisions of the plan which conflict with modifications ordered by the board of review.
- **Sec. 36.** RCW 47.52.210 and 1981 c 95 s 3 are each amended to read 13 as follows:
 - (1) Whenever the ((transportation commission)) department adopts a plan for a limited access highway to be constructed within the corporate limits of a city or town which incorporates existing city or town streets, title to such streets shall remain in the city or town, and the provisions of RCW 47.24.020 as now or hereafter amended shall continue to apply to such streets until such time that the highway is operated as either a partially or fully controlled access highway. Title to and full control over that portion of the city or town street incorporated into the limited access highway shall be vested in the state upon a declaration by the secretary of transportation that such highway is operational as a limited access facility, but in no event prior to the acquisition of right of way for such highway including access rights, and not later than the final completion of construction of such highway.
 - (2) Upon the completion of construction of a state limited access highway within a city or town, the department of transportation may relinquish to the city or town streets constructed or improved as a functional part of the limited access highway, slope easements, landscaping areas, and other related improvements to be maintained and operated by the city or town in accordance with the limited access plan. Title to such property relinquished to a city or town shall be conveyed by a deed executed by the secretary of transportation and duly acknowledged. Relinquishment of such property to the city or town may

- be expressly conditioned upon the maintenance of access control acquired by the state and the continued operation of such property as a functional part of the limited access highway.
 - Sec. 37. RCW 47.60.330 and 2003 c 374 s 5 are each amended to read as follows:

- (1) Before a substantial expansion or curtailment in the level of service provided to ferry users, or a revision in the schedule of ferry tolls or charges, the department ((of transportation)) shall consult with affected ferry users. The consultation shall be: (a) By public hearing in affected local communities; (b) by review with the affected ferry advisory committees pursuant to RCW 47.60.310; (c) by conducting a survey of affected ferry users; or (d) by any combination of (a) through (c). Promotional, discount, and special event fares that are not part of the published schedule of ferry charges or tolls are exempt. The department shall report an accounting of all exempt revenues to the transportation commission and the office of financial management each fiscal year.
- (2) There is created a ferry system productivity council consisting of a representative of each ferry advisory committee empanelled under RCW 47.60.310, elected by the members thereof, and two representatives of employees of the ferry system appointed by mutual agreement of all of the unions representing ferry employees, which shall meet from time to time with ferry system management to discuss means of improving ferry system productivity.
- (3) Before increasing ferry tolls the department of transportation shall consider ((all possible)) cost reductions with full public participation as provided in subsection (1) of this section and, consistent with public policy, shall consider adapting service levels equitably on a route-by-route basis to reflect trends in and forecasts of traffic usage. ((Forecasts of traffic levels shall be developed by the bond covenant traffic engineering firm appointed under the provisions of RCW 47.60.450. Provisions of this section shall not alter obligations under RCW 47.60.450.)) Before including any toll increase in a budget proposal ((by the commission)), the department ((of transportation)) shall consult with affected ferry users in the manner prescribed in (1)(b) of this section plus the procedure of either (1)(a) or (c) of this section.

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- **Sec. 38.** RCW 47.68.390 and 2005 c 316 s 1 are each amended to read 2 as follows:
 - (1) The aviation division of the department of transportation shall conduct a statewide airport capacity and facilities assessment. The assessment must include a statewide analysis of existing airport facilities, and passenger and air cargo transportation capacity, regarding both commercial aviation and general aviation; however, the primary focus of the assessment must be on commercial aviation. The assessment must at a minimum address the following issues:
- 10 (a) Existing airport facilities, both commercial and general aviation, including air side, land side, and airport service 12 facilities;
- 13 (b) Existing air and airport capacity, including the number of annual passengers and air cargo operations;
- 15 (c) Existing airport services, including fixed based operator 16 services, fuel services, and ground services; and
 - (d) Existing airspace capacity.

- (2) The department shall consider existing information, technical analyses, and other research the department deems appropriate. The department may contract and consult with private independent professional and technical experts regarding the assessment.
- 22 (3) The department shall submit the assessment to the appropriate 23 standing committees of the legislature, the governor, ((the 24 transportation commission,)) and regional transportation planning 25 organizations by July 1, 2006.
- **Sec. 39.** RCW 47.68.400 and 2005 c 316 s 2 are each amended to read 27 as follows:
 - (1) After submitting the assessment under RCW 47.68.390, the aviation division of the department of transportation shall conduct a statewide airport capacity and facilities market analysis. The analysis must include a statewide needs analysis of airport facilities, passenger and air cargo transportation capacity, and demand and forecast market needs over the next twenty-five years with a more detailed analysis of the Puget Sound, southwest Washington, Spokane, and Tri-Cities regions. The analysis must address the forecasted needs of both commercial aviation and general aviation; however, the primary

focus of the analysis must be on commercial aviation. The analysis must at a minimum address the following issues:

- (a) A forecast of future airport facility needs based on passenger and air cargo operations and demand, airline planning, and a determination of aviation trends, demographic, geographic, and market factors that may affect future air travel demand;
- (b) A determination of when the state's existing commercial service airports will reach their capacity;
- (c) The factors that may affect future air travel and when capacity may be reached and in which location;
 - (d) The role of the state, metropolitan planning organizations, regional transportation planning organizations, the federal aviation administration, and airport sponsors in addressing statewide airport facilities and capacity needs; and
 - (e) Whether the state, metropolitan planning organizations, regional transportation planning organizations, the federal aviation administration, or airport sponsors have identified options for addressing long-range capacity needs at airports, or in regions, that will reach capacity before the year 2030.
 - (2) The department shall consider existing information, technical analyses, and other research the department deems appropriate. The department may contract and consult with private independent professional and technical experts regarding the analysis.
 - (3) The department shall submit the analysis to the appropriate standing committees of the legislature, the governor, ((the transportation commission,)) and regional transportation planning organizations by July 1, 2007.
- **Sec. 40.** RCW 81.112.086 and 2003 c 363 s 306 are each amended to 29 read as follows:

As a condition of receiving state funding, a regional transit authority shall submit a maintenance and preservation management plan for certification by the <u>department of</u> transportation ((commission or its successor entity)). The plan must inventory all transportation system assets within the direction and control of the transit authority, and provide a plan for preservation of assets based on lowest life-cycle cost methodologies.

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1 **Sec. 41.** RCW 35.58.2795 and 1994 c 158 s 6 are each amended to 2 read as follows:

3 By April 1st of each year, the legislative authority of each municipality, as defined in RCW 35.58.272, and each regional transit 4 5 authority shall prepare a six-year transit development plan for that calendar year and the ensuing five years. The program shall be 6 7 consistent with the comprehensive plans adopted by counties, cities, and towns, pursuant to chapter 35.63, 35A.63, or 36.70 RCW, the 8 inherent authority of a first class city or charter county derived from 9 10 its charter, or chapter 36.70A RCW. The program shall contain information as to how the municipality intends to meet state and local 11 12 long-range priorities for public transportation, capital improvements, 13 significant operating changes planned for the system, and how the 14 municipality intends to fund program needs. The six-year plan for each municipality and regional transit authority shall specifically set 15 forth those projects of regional significance for inclusion in the 16 17 transportation improvement program within that region. municipality and regional transit authority shall file the six-year 18 program with the state department of transportation's office of transit 19 20 mobility, the state auditor, the transportation improvement board, and 21 cities, counties, and regional planning councils within which the 22 municipality is located.

In developing its program, the municipality and the regional transit authority shall consider those policy recommendations affecting public transportation contained in the state transportation policy plan ((approved by the state transportation commission)) and, where appropriate, adopted by the legislature. The municipality shall conduct one or more public hearings while developing its program and for each annual update.

30 **Sec. 42.** RCW 36.56.121 and 2003 c 363 s 303 are each amended to 31 read as follows:

As a condition of receiving state funding, a county that has assumed the transportation functions of a metropolitan municipal corporation shall submit a maintenance and preservation management plan for certification by the ((transportation commission or its successor entity)) department of transportation. The plan must inventory all

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- transportation system assets within the direction and control of the county, and provide a preservation plan based on lowest life-cycle cost
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4 **Sec. 43.** RCW 36.57A.070 and 1985 c 6 s 5 are each amended to read 5 as follows:

The comprehensive transit plan adopted by the authority shall be reviewed by the state ((transportation commission)) department of transportation's office of transit mobility and the state auditor to determine:

- (1) The completeness of service to be offered and the economic viability of the transit system proposed in such comprehensive transit plan;
- (2) Whether such plan integrates the proposed transportation system with existing transportation modes and systems that serve the benefit area;
- (3) Whether such plan coordinates that area's system and service with nearby public transportation systems;
- (4) Whether such plan is eligible for matching state or federal funds(($\dot{\tau}$

After reviewing the comprehensive transit plan, the state transportation commission shall have sixty days in which to approve such plan and to certify to the state treasurer that such public transportation benefit area shall be eligible to receive the motor vehicle excise tax proceeds authorized pursuant to RCW 35.58.273, as now or hereafter amended in the manner prescribed by chapter 82.44 RCW, as now or hereafter amended. To be approved a plan shall provide for coordinated transportation planning, the integration of such proposed transportation program with other transportation systems operating in areas adjacent to, or in the vicinity of the proposed public transportation benefit area, and be consistent with the public transportation coordination criteria adopted pursuant to the urban mass transportation act of 1964 as amended as of July 1, 1975. In the event such comprehensive plan is disapproved and ruled ineligible to receive motor vehicle tax proceeds, the state transportation commission shall provide written notice to the authority within thirty days as to the reasons for such plan's disapproval and such ineligibility. The

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authority may resubmit such plan upon reconsideration and correction of such deficiencies in the plan cited in such notice of disapproval)).

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- Sec. 44. RCW 47.29.010 and 2005 c 317 s 1 are each amended to read as follows:
- (1)The legislature finds that the public-private (([transportation])) <u>transportation</u> initiatives act created under chapter 47.46 RCW has not met the needs and expectations of the public or private sectors for the development of transportation projects. The legislature intends to phase out chapter 47.46 RCW coincident with the completion of the Tacoma Narrows Bridge - SR 16 public-private partnership. From July 24, 2005, this chapter will provide a more desirable and effective approach to developing transportation projects in partnership with the private sector by applying lessons learned from other states and from this state's ten-year experience with chapter 47.46 RCW.
- 16 (2) It is the legislature's intent to achieve the following goals 17 through the creation of this new approach to public-private 18 partnerships:
 - (a) To provide a well-defined mechanism to facilitate the collaboration between public and private entities in transportation;
 - (b) To bring innovative thinking from the private sector and other states to bear on public projects within the state;
 - (c) To provide greater flexibility in achieving the transportation projects; and
 - (d) To allow for creative cost and risk sharing between the public and private partners.
 - (3) The legislature intends that the powers granted in this chapter to the commission or department are in addition to any powers granted under chapter 47.56 RCW.
 - (4) It is further the intent of the legislature that ((the commission shall be responsible for receiving, reviewing, and approving proposals with technical support of the department; rule making; and for oversight of contract execution. The department shall be responsible for evaluating proposals and negotiating contracts)) an expert review panel be established for each project developed under this act. Expert review panels shall be responsible for reviewing

- 1 <u>selected proposals</u>, analyzing and reviewing tentative agreements, and
- 2 making recommendations to the governor on the advisability of executing
- 3 agreements under this act.

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- 4 **Sec. 45.** RCW 47.29.020 and 2005 c 317 s 2 are each amended to read 5 as follows:
- 6 The definitions in this section apply throughout this chapter.
- 7 (1) (("Authority" means the transportation commission.
- 8 (2) "Commission" means the transportation commission.
 - (3)) "Department" means the department of transportation.
- 10 $((\frac{4}{1}))$ <u>(2)</u> "Eligible project" means any project eligible for 11 development under RCW 47.29.050.
- 12 $((\frac{(5)}{(5)}))$ <u>(3)</u> "Eligible public works project" means only a project 13 that meets the criteria of either RCW 47.29.060 (3) or (4).
- (((6))) (4) "Expert review panel" means a panel established by the governor to review tentative agreements and make recommendations to the governor for approval, rejection, or continued negotiations on a proposed project agreement.
- 18 <u>(5)</u> "Private sector partner" and "private partner" ((means)) mean 19 a person, entity, or organization that is not the federal government, 20 a state, or a political subdivision of a state.
- 21 $((\frac{7}{}))$ <u>(6)</u> "Public funds" means all moneys derived from taxes, 22 fees, charges, tolls, etc.
 - ((+8)) (7) "Public sector partner" and "public partner" ((means)) mean any federal or state unit of government, bistate transportation organization, or any other political subdivision of any state.
 - ((+9))) (8) "Transportation innovative partnership program" or "program" means the program as outlined in RCW 47.29.040.
 - ((\(\frac{(10)}{10}\))) (9) "Transportation project" means a project, whether capital or operating, where the state's primary purpose for the project is to preserve or facilitate the safe transport of people or goods via any mode of travel. However, this does not include projects that are primarily for recreational purposes, such as parks, hiking trails, off-road vehicle trails, etc.
- $((\frac{(11)}{(11)}))$ "Unit of government" means any department or agency of the federal government, any state or agency, office, or department of a state, any city, county, district, commission, authority, entity, port, or other public corporation organized and existing under

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- 1 statutory law or under a voter-approved charter or initiative, and any
- 2 intergovernmental entity created under chapter 39.34 RCW or this
- 3 chapter.

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- 4 **Sec. 46.** RCW 47.29.030 and 2005 c 317 s 3 are each amended to read 5 as follows:
- In addition to the powers it now possesses, the ((commission))
 department shall:
- 8 (1) ((Approve or review contracts or agreements authorized in this 9 chapter;
- 10 (2))) Adopt rules to carry out this chapter and govern the program,
 11 which at a minimum must address the following issues:
- 12 (a) The types of projects allowed; however, all allowed projects
 13 must be included in the Washington transportation plan or identified by
 14 the authority as being a priority need for the state;
- 15 (b) The types of contracts allowed, with consideration given to the 16 best practices available;
 - (c) The composition of the team responsible for the evaluation of proposals to include:
 - (i) ((\frac{Washington state}{})) Department ((\frac{of transportation}{})) staff;
 - (ii) An independent representative of a consulting or contracting field with no interests in the project that is prohibited from becoming a project manager for the project and bidding on any part of the project;
 - (iii) An observer from the state auditor's office or the joint legislative audit and review committee;
 - (iv) A person ((appointed by the commission, if the secretary of transportation is a cabinet member, or)) appointed by the governor ((if the secretary of transportation is not a cabinet member)); and
 - (v) A financial expert;
 - (d) Minimum standards and criteria required of all proposals;
 - (e) Procedures for the proper solicitation, acceptance, review, and evaluation of projects;
- 33 (f) Criteria to be considered in the evaluation and selection of 34 proposals that includes:
- (i) Comparison with the department's internal ability to complete the project that documents the advantages of completing the project as a partnership versus solely as a public venture; and

- 1 (ii) Factors such as, but not limited to: Priority, cost, risk 2 sharing, scheduling, and management conditions;
- 3 (g) The protection of confidential proprietary information while 4 still meeting the need for public disclosure that is consistent with 5 RCW 47.29.190;
 - (h) Protection for local contractors to participate in subcontracting opportunities;

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- (i) Specifying that maintenance issues must be resolved in a manner consistent with the personnel system reform act, chapter 41.80 RCW;
- 10 (j) Specifying that provisions regarding patrolling and law 11 enforcement on a public facility are subject to approval by the 12 Washington state patrol;
- 13 (((3))) (2) Adopt guidelines to address security and performance 14 issues.

15 Preliminary rules and guidelines developed under this section must 16 be submitted to the chairs and ranking members of both transportation 17 committees by November 30, 2005, for review and comment. All final 18 rules and guidelines must be submitted to the full legislature during 19 the 2006 session for review.

- 20 **Sec. 47.** RCW 47.29.090 and 2005 c 317 s 9 are each amended to read 21 as follows:
- 22 (1) Subject to subsection (2) of this section, the ((commission))
 23 department may:
 - (a) Solicit concepts or proposals for eligible projects from private entities and units of government;
 - (b) On or after January 1, 2007, accept unsolicited concepts or proposals for eligible projects from private entities and units of government, subject to RCW 47.29.170;
 - (c) ((Direct the department to)) Evaluate projects for inclusion in the transportation innovative partnerships program that are already programmed or identified for traditional development by the state;
- 32 (d) (($\frac{1}{2}$ irect the department to)) Evaluate the concepts or proposals received under this section; and
- (e) Select potential projects based on the concepts or proposals.
 The evaluation under this subsection must include consultation with any appropriate unit of government.

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1 (2) Before undertaking any of the activities contained in 2 subsection (1) of this section, the ((commission)) department must 3 ((have)):

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- (a) ((Completed)) Wait for completion of the tolling feasibility study before proceeding with any projects that might utilize tolls; and
- 6 (b) ((Adopted)) Adopt rules specifying procedures for the proper solicitation, acceptance, review, and evaluation of projects, which procedures must include:
- 9 (i) A comparison with the department's internal ability to complete 10 the project that documents the advantages of completing the project as 11 a partnership versus solely as a public venture; and
- 12 (ii) Factors such as priority, cost, risk sharing, scheduling, and 13 management conditions.
- 14 **Sec. 48.** RCW 47.29.100 and 2005 c 317 s 10 are each amended to 15 read as follows:
- The department may charge a reasonable administrative fee for the evaluation of an unsolicited project proposal. The amount of the fee will be established in rules ((of the commission)).
- 19 **Sec. 49.** RCW 47.29.120 and 2005 c 317 s 12 are each amended to 20 read as follows:
- 21 The ((commission and)) department may consult with legal, 22 financial, and other experts inside and outside the public sector in 23 the evaluation, negotiation, and development of projects under this 24 chapter, consistent with RCW 43.10.040 where applicable.
- 25 **Sec. 50.** RCW 47.29.160 and 2005 c 317 s 16 are each amended to 26 read as follows:
- 27 (1) Before ((approving an)) approval of any agreement under subsection (2) of this section, ((the commission, with the technical assistance of)) the department((7)) must:
- 30 (a) Prepare a financial analysis that fully discloses all project 31 costs, direct and indirect, including costs of any financing;
- 32 (b) Publish notice and make available the contents of the 33 agreement, with the exception of patent information, at least twenty 34 days before the public hearing required in (c) of this subsection; and

1 (c) Hold a public hearing on the proposed agreement, with proper 2 notice provided at least twenty days before the hearing. The public 3 hearing must be held within the boundaries of the county seat of the 4 county containing the project.

- (2) The ((commission)) department must allow at least twenty days from the public hearing on the proposed agreement required under subsection (1)(c) of this section before approving and executing any agreements authorized under this chapter.
- 9 <u>NEW SECTION.</u> **Sec. 51.** A new section is added to chapter 47.29 RCW to read as follows:
 - (1) The department shall establish an expert review panel to review, analyze, and make recommendations to the governor on whether to approve, reject, or continue negotiations on a proposed project agreement. The department shall provide staff to support the expert review panel, if requested by the panel. The expert review panel may utilize any of the consultants under contract for the department, and the expert review panel may contract for consulting expertise in specific areas as it deems necessary to ensure a thorough and critical review of any proposed project agreement.
 - (2) The governor shall appoint members of an expert review panel that have experience in large capital project delivery, public private partnerships, public financing of infrastructure improvements, or other areas of expertise that will benefit the panel. The panel shall consist of no less than three but no more than five members, as determined by the governor.
- NEW SECTION. Sec. 52. A new section is added to chapter 47.29 RCW to read as follows:
 - Upon receiving the recommendations of the expert review panel as provided in section 51 of this act, the governor shall execute the proposed project agreement, reject the proposed agreement, or return the agreement for continued negotiations between the state and a private partner. The execution of any agreement or the rejection of any agreement shall constitute a final action for legal or administrative purposes.

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Sec. 53. RCW 47.29.170 and 2005 c 317 s 17 are each amended to read as follows:

Before accepting any unsolicited project proposals, the ((commission)) department must adopt rules to facilitate the acceptance, review, evaluation, and selection of unsolicited project proposals. These rules must include the following:

- (1) Provisions that specify unsolicited proposals must meet predetermined criteria;
- (2) Provisions governing procedures for the cessation of negotiations and consideration;
- (3) Provisions outlining that unsolicited proposals are subject to a two-step process that begins with concept proposals and would only advance to the second step, which are fully detailed proposals, if the ((commission)) department so directed;
- (4) Provisions that require concept proposals to include at least the following information: Proposers' qualifications and experience; description of the proposed project and impact; proposed project financing; and known public benefits and opposition; and
- (5) Provisions that specify the process to be followed if the ((commission)) department is interested in the concept proposal, which must include provisions:
- (a) Requiring that information regarding the potential project would be published for a period of not less than thirty days, during which time entities could express interest in submitting a proposal;
- (b) Specifying that if letters of interest were received during the thirty days, then an additional sixty days for submission of the fully detailed proposal would be allowed; and
- (c) Procedures for what will happen if there are insufficient proposals submitted or if there are no letters of interest submitted in the appropriate time frame.
- 31 The ((commission)) department may adopt other rules as necessary to 32 avoid conflicts with existing laws, statutes, or contractual 33 obligations of the state.
- 34 The ((commission)) department may not accept or consider any unsolicited proposals before January 1, 2007.
- **Sec. 54.** RCW 47.29.180 and 2005 c 317 s 18 are each amended to read as follows:

For projects with costs, including financing costs, of three hundred million dollars or greater, advisory committees are required.

- (1) The ((commission)) department must ((establish)) support an advisory committee to advise with respect to eligible projects. An advisory committee must consist of not fewer than five and not more than nine members, as determined by the public partners. Members must be appointed by the ((commission)) governor, or for projects with joint public sector participation, in a manner agreed to by the ((commission)) governor and any participating unit of government. In making appointments to the committee, the ((commission)) department shall consider persons or organizations offering a diversity of viewpoints on the project.
- (2) An advisory committee shall review concepts or proposals for eligible projects and submit comments to the public sector partners.
- (3) An advisory committee shall meet as necessary at times and places fixed by the department, but not less than twice per year. The state shall provide personnel services to assist the advisory committee within the limits of available funds. An advisory committee may adopt rules to govern its proceedings and may select officers.
- 20 (4) An advisory committee must be dissolved once the project has 21 been fully constructed and debt issued to pay for the project has been 22 fully retired.
- **Sec. 55.** RCW 47.29.250 and 2005 c 317 s 25 are each amended to 24 read as follows:
 - (1) In addition to any authority the commission or department has to issue and sell bonds and other similar obligations, this section establishes continuing authority for the issuance and sale of bonds and other similar obligations in a manner consistent with this section. To finance a project in whole or in part, the ((commission)) secretary of the department of transportation may request that the state treasurer issue revenue bonds on behalf of the public sector partner. The bonds must be secured by a pledge of, and a lien on, and be payable only from moneys in the transportation innovative partnership account established in RCW 47.29.230, and any other revenues specifically pledged to repayment of the bonds. Such a pledge by the public partner creates a lien that is valid and binding from the time the pledge is made. Revenue bonds issued under this section are not general obligations of

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the state or local government and are not secured by or payable from any funds or assets of the state other than the moneys and revenues specifically pledged to the repayment of such revenue bonds.

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- (2) Moneys received from the issuance of revenue bonds or other debt obligations, including any investment earnings thereon, may be spent:
- 7 (a) For the purpose of financing the costs of the project for which 8 the bonds are issued;
- 9 (b) To pay the costs and other administrative expenses of the 10 bonds;
- 11 (c) To pay the costs of credit enhancement or to fund any reserves 12 determined to be necessary or advantageous in connection with the 13 revenue bonds; and
- 14 (d) To reimburse the public sector partners for any costs related 15 to carrying out the projects authorized under this chapter.
- 16 **Sec. 56.** RCW 47.10.861 and 2003 c 147 s 1 are each amended to read 17 as follows:
- In order to provide funds necessary for the location, design, right of way, and construction of selected projects or improvements that are identified as transportation 2003 projects or improvements in the omnibus transportation budget, there shall be issued and sold upon the request of the <u>secretary of the department of</u> transportation ((commission)) a total of two billion six hundred million dollars of general obligation bonds of the state of Washington.
- 25 **Sec. 57.** RCW 47.10.862 and 2003 c 147 s 2 are each amended to read 26 as follows:

Upon the request of the secretary of the department of 27 28 transportation ((commission)), as appropriate, the state finance 29 committee shall supervise and provide for the issuance, sale, and 30 retirement of the bonds in RCW 47.10.861 through 47.10.866 accordance with chapter 39.42 RCW. Bonds authorized by RCW 47.10.861 31 32 through 47.10.866 shall be sold in the manner, at time or times, in amounts, and at the price as the state finance committee shall 33 34 determine. No bonds may be offered for sale without prior legislative 35 appropriation of the net proceeds of the sale of the bonds.

The state finance committee shall consider the issuance of shortterm obligations in lieu of long-term obligations for the purposes of more favorable interest rates, lower total interest costs, and increased marketability and for the purpose of retiring the bonds during the life of the project for which they were issued.

Sec. 58. RCW 47.10.843 and 1998 c 321 s 16 are each amended to 7 read as follows:

In order to provide funds necessary for the location, design, right of way, and construction of state and local highway improvements, there shall be issued and sold upon the request of the ((Washington state)) secretary of the department of transportation ((commission)) a maximum of one billion nine hundred million dollars of general obligation bonds of the state of Washington.

Sec. 59. RCW 47.10.844 and 1998 c 321 s 17 are each amended to 15 read as follows:

Upon the request of the <u>secretary of the department of</u> transportation ((commission)), the state finance committee shall supervise and provide for the issuance, sale, and retirement of the bonds authorized by RCW 47.10.843 through 47.10.848 in accordance with chapter 39.42 RCW. Bonds authorized by RCW 47.10.843 through 47.10.848 shall be sold in such manner, at such time or times, in such amounts, and at such price as the state finance committee shall determine. No such bonds may be offered for sale without prior legislative appropriation of the net proceeds of the sale of the bonds.

The state finance committee shall consider the issuance of short-term obligations in lieu of long-term obligations for the purposes of more favorable interest rates, lower total interest costs, and increased marketability and for the purpose of retiring the bonds during the life of the project for which they were issued.

Sec. 60. RCW 47.10.834 and 1995 2nd sp.s. c 15 s 2 are each amended to read as follows:

In order to provide funds necessary to implement the public-private transportation initiatives authorized by chapter 47.46 RCW, there shall be issued and sold upon the request of the ((Washington state))

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- 1 <u>secretary of the department of</u> transportation ((commission)) a total of
- 2 twenty-five million six hundred twenty-five thousand dollars of general
- 3 obligation bonds of the state of Washington.

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4 **Sec. 61.** RCW 47.10.835 and 1994 c 183 s 3 are each amended to read 5 as follows:

Upon the request of the <u>secretary of the department of</u> transportation ((commission)), the state finance committee shall supervise and provide for the issuance, sale, and retirement of the bonds authorized by RCW 47.10.834 through 47.10.841 in accordance with chapter 39.42 RCW. Bonds authorized by RCW 47.10.834 through 47.10.841 shall be sold in such manner, at such time or times, in such amounts, and at such price as the state finance committee shall determine. No such bonds may be offered for sale without prior legislative appropriation of the net proceeds of the sale of the bonds. In making such appropriation of the net proceeds of the sale of the bonds, the legislature shall specify what portion of the appropriation is provided for possible loans and what portion of the appropriation is provided for other forms of cash contributions to projects.

The state finance committee shall consider the issuance of short-term obligations in lieu of long-term obligations for the purposes of more favorable interest rates, lower total interest costs, and increased marketability and for the purpose of retiring the bonds during the life of the project for which they were issued.

Sec. 62. RCW 47.10.819 and 1993 c 432 s 1 are each amended to read as follows:

In order to provide funds necessary for the location, design, right of way, and construction of selected interstate and other highway improvements, there shall be issued and sold upon the request of the ((Washington state)) secretary of the department of transportation ((commission)) a total of one hundred million dollars of general obligation bonds of the state of Washington for the following purposes and specified sums:

(1) Not to exceed twenty-five million dollars to pay the state's 33 34 share of and local governments' matching funds for the 35 demonstration projects identified in the Intermodal Surface 36 Transportation Efficiency Act of 1991.

(2) Not to exceed fifty million dollars to temporarily pay the regular federal share of construction in advance of federal-aid apportionments as authorized by this section.

- (3) Not to exceed twenty-five million dollars for loans to local governments to provide the required matching funds to take advantage of available federal funds. These loans shall be on such terms and conditions as determined by the ((Washington state)) secretary of the department of transportation ((commission)), but in no event may the loans be for a period of more than ten years. The interest rate on the loans authorized under this subsection shall be equal to the interest rate on the bonds sold for such purposes.
- **Sec. 63.** RCW 47.10.820 and 1993 c 432 s 2 are each amended to read 13 as follows:

Upon the request of the <u>secretary of the department of</u> transportation ((commission)), the state finance committee shall supervise and provide for the issuance, sale, and retirement of the bonds authorized by RCW 47.10.819 through 47.10.824 in accordance with chapter 39.42 RCW. Bonds authorized by RCW 47.10.819 through 47.10.824 shall be sold in such manner, at such time or times, in such amounts, and at such price as the state finance committee shall determine. No such bonds may be offered for sale without prior legislative appropriation of the net proceeds of the sale of the bonds.

The state finance committee shall consider the issuance of short-term obligations in lieu of long-term obligations for the purposes of more favorable interest rates, lower total interest costs, and increased marketability and for the purpose of retiring the bonds during the life of the project for which they were issued.

Sec. 64. RCW 47.02.120 and 1990 c 293 s 1 are each amended to read 29 as follows:

For the purpose of providing funds for the acquisition of headquarters facilities for district 1 of the department of transportation and costs incidental thereto, together with all improvements and equipment required to make the facilities suitable for the department's use, there shall be issued and sold upon the request of the ((Washington transportation commission)) secretary of the

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- 1 <u>department of transportation</u> a total of fifteen million dollars of 2 general obligation bonds of the state of Washington.
- **Sec. 65.** RCW 47.02.140 and 1990 c 293 s 3 are each amended to read 4 as follows:

Upon the request of the <u>secretary of the department of</u> transportation ((commission)), the state finance committee shall supervise and provide for the issuance, sale, and retirement of the bonds authorized by RCW 47.02.120 through 47.02.190 in accordance with chapter 39.42 RCW. Bonds authorized by RCW 47.02.120 through 47.02.190 shall be sold in such manner, at such time or times, in such amounts, and at such price as the state finance committee shall determine. Except for the purpose of repaying the loan from the motor vehicle fund, no such bonds may be offered for sale without prior legislative appropriation of the net proceeds of the sale of the bonds.

The state finance committee shall consider the issuance of short-term obligations in lieu of long-term obligations for the purposes of more favorable interest rates, lower total interest costs, and increased marketability and for the purpose of retiring the bonds during the life of the project for which they were issued.

- **Sec. 66.** RCW 44.75.030 and 2005 c 319 s 17 are each amended to 21 read as follows:
 - (1) The transportation performance audit board is created.
 - (2) The board will consist of four legislative members, three citizen members with transportation-related expertise, two citizen members with performance measurement expertise, ((one member of the transportation commission,)) the director of financial management or the director's designee, one ex officio nonvoting member, and one at large member. ((The legislative auditor is the ex officio nonvoting member.)) The majority and minority leaders of the house and senate transportation committees, or their designees, are the legislative members. The governor shall appoint the at large member to serve for a term of four years. The citizen members must be appointed by the governor for terms of four years, except that at least half the initial appointments will be for terms of two years. The citizen members may not be currently, or within one year, employed by the Washington state department of transportation. The governor, when appointing the

citizen members with transportation-related expertise, may consult with appropriate professional associations and shall consider the following transportation-related experiences:

- (a) Construction project planning, including permitting and assuring regulatory compliance;
- (b) Construction means and methods and construction management, crafting and implementing environmental mitigation plans, and administration;
- 9 (c) Construction engineering services, including construction 10 management, materials testing, materials documentation, contractor 11 payments, inspection, surveying, and project oversight;
 - (d) Project management, including design estimating, contract packaging, and procurement; and
 - (e) Transportation planning and congestion management.
 - (3) The governor may not remove members from the board before the expiration of their terms unless for cause based upon a determination of incapacity, incompetence, neglect of duty, of malfeasance in office by the Thurston county superior court, upon petition and show cause proceedings brought for that purpose in that court and directed to the board member in question.
- 21 (4) No member may be appointed for more than three consecutive 22 terms.
- **Sec. 67.** RCW 44.75.040 and 2005 c 319 s 18 are each amended to 24 read as follows:
 - (1) The board shall meet periodically. It may adopt its own rules and may establish its own procedures. It shall act collectively in harmony with recorded resolutions or motions adopted by a majority vote of the members.
 - (2) Each member of the transportation performance audit board will be compensated ((from the general appropriation for the transportation commission in accordance with RCW 43.03.250 and)) in an amount not to exceed one hundred dollars for each day during which the member attends an official meeting of the group or performs statutorily prescribed duties approved by the chairperson. A person shall not receive compensation for a day of service under this section if the person (a) occupies a position, normally regarded as full-time in nature, in any agency of the federal government, Washington state government, or

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- Washington state local government, and (b) receives any compensation 1 from such government for working that day. A member shall be 2 reimbursed for actual necessary traveling and other expenses in going 3 to, attending, and returning from meetings of the board or that are 4 5 incurred in the discharge of duties requested by the chair. However, in no event may a board member be compensated in any year for more than 6 7 one hundred twenty days, except the chair may be compensated for not more than one hundred fifty days. Service on the board does not 8 9 qualify as a service credit for the purposes of a public retirement 10 system.
 - (3) The transportation performance audit board shall keep proper records and is subject to audit by the state auditor or other auditing entities.
 - (4) Staff support to the transportation performance audit board must be provided by the transportation commission, which shall provide professional support for the duties, functions, responsibilities, and activities of the board, including but not limited to information technology systems; data collection, processing, analysis, and reporting; project management; and office space, equipment, and secretarial support. Additionally, the commission shall designate, subject to board approval, a staff person to serve as the board administrator. The board administrator serves as an exempt employee and at the pleasure of the board.
- (5) Each member of the transportation performance audit board shall disclose any actual or potential conflict of interest, if applicable under the circumstance, regarding all performance reviews and performance audits conducted under this chapter.
- NEW SECTION. Sec. 68. A new section is added to chapter 44.75 RCW to read as follows:
- 30 (1) The office of financial management shall assume all powers and 31 functions of the transportation performance audit board to review the performance and outcome measures of transportation-related agencies 32 under RCW 44.75.050 through 44.75.090. Effective July 1, 2007: (a) 33 Any appropriations made to the transportation performance audit board 34 for carrying out the powers, functions, and duties transferred under 35 36 this subsection shall be transferred and credited to the office of 37 financial management; (b) all rules and all pending business before the

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transportation performance audit board pertaining to the powers, functions, and duties transferred under this subsection shall be continued and acted upon by the office of financial management; and (c) all existing contracts and obligations pertaining to the powers, functions, and duties transferred under this subsection shall remain in full force and shall be performed by the office of financial management.

- (2) The state auditor shall assume all powers and functions of the transportation performance audit board to conduct performance audits of transportation-related agencies under RCW 44.75.080 through 44.75.800. Effective July 1, 2007: (a) Any appropriations made to the transportation performance audit board for carrying out the powers, functions, and duties transferred under this subsection shall be transferred and credited to the state auditor; (b) all rules and all pending business before the transportation performance audit board pertaining to the powers, functions, and duties transferred under this subsection shall be continued and acted upon by the state auditor; and (c) all existing contracts and obligations pertaining to the powers, functions, and duties transferred under this subsection shall remain in full force and shall be performed by the state auditor.
 - (3) By June 30, 2007, the transportation performance audit board shall: (a) Assist the office of financial management as needed to transfer all performance measure review functions under RCW 44.75.050 through 44.75.090 to the office of financial management; and (b) assist the state auditor as needed to transfer all performance audit functions under RCW 44.75.080 through 44.75.800 to the state auditor.
- NEW SECTION. Sec. 69. A new section is added to chapter 43.88 RCW to read as follows:

The office of financial management shall, after reviewing the performance or outcome measures and benchmarks of a transportation agency or department under chapter 44.75 RCW, create a report on the results of such review, including a recommendation of whether a full performance or functional audit of the agency or department is warranted, and submit the report annually to the state auditor and to the standing committees on transportation of the house of representatives and senate.

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NEW SECTION. Sec. 70. A new section is added to chapter 43.09 RCW to read as follows:

After reviewing the report of the office of financial management on the performance or outcome measures and benchmarks of a transportationrelated agency or department, the state auditor may conduct a full performance or functional audit of the agency or department reviewed, or a specific program within the agency or department.

Sec. 71. RCW 47.10.873 and 2005 c 315 s 1 are each amended to read 9 as follows:

In order to provide funds necessary for the location, design, right of way, and construction of selected projects or improvements that are identified as 2005 transportation partnership projects or improvements in the omnibus transportation budget ((\frac{2005 c 313}{})) (2005 c 313), there shall be issued and sold upon the request of the secretary of the department of transportation a total of five billion one hundred million dollars of general obligation bonds of the state of Washington.

Sec. 72. RCW 47.10.874 and 2005 c 315 s 2 are each amended to read 18 as follows:

Upon the request of the <u>secretary of the</u> department of transportation, as appropriate, the state finance committee shall supervise and provide for the issuance, sale, and retirement of the bonds in RCW 47.10.873 through 47.10.878 in accordance with chapter 39.42 RCW. Bonds authorized by RCW 47.10.873 through 47.10.878 shall be sold in the manner, at time or times, in amounts, and at the price as the state finance committee shall determine. No bonds may be offered for sale without prior legislative appropriation of the net proceeds of the sale of the bonds.

The state finance committee shall consider the issuance of short-term obligations in lieu of long-term obligations for the purposes of more favorable interest rates, lower total interest costs, and increased marketability and for the purpose of retiring the bonds during the life of the project for which they were issued.

NEW SECTION. Sec. 73. The following acts or parts of acts, as now existing or hereafter amended, are each repealed effective June 30, 2007:

- 1 (1) RCW 44.75.030 (Board created--Membership) and 2006 c ... s 66 2 (section 66 of this act), 2005 c 319 s 17, & 2003 c 362 s 3; and 3 (2) RCW 44.75.040 (Procedures, compensation, support) and 2006 c 4 ... s 67 (section 67 of this act), 2005 c 319 s 18, & 2003 c 362 s 4.
- 5 <u>NEW SECTION.</u> **Sec. 74.** This act takes effect July 1, 2006.

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